

13N - ORANGE COUNTY TOBACCO SETTLEMENT

Operational Summary

Description:

To administer the use of the County's share of the national Tobacco Settlement in accordance with the conditions set forth in a local initiative, Measure "H", approved by the voters on November 7, 2001.

On November 23, 1998 the major American cigarette manufacturers agreed to a settlement (Master Settlement Agreement, MSA) of litigation brought by the Attorneys General of 46 States (including California), five U.S. territories and the District of Columbia. In addition to restrictions related to cigarette advertising and underage smoking, the MSA requires that the tobacco companies pay the participants an estimated \$206 Billion over the next 25 years. After certain adjustments the payments are distributed on a population basis, with California estimated to receive (1990 census) about 12.8%. California's share is split 50-50 between the State and the eligible cities and Counties. Orange County's portion of the local share is about 7.3%.

Strategic Goals:

- Administer the County's share of Tobacco Settlement Revenue received on or after July 1, 2001, in strict accordance with the requirements of voter approved Measure "H".

SENIORS & PERSONS WITH DISABILITIES - 19% is allocated to this Measure "H" category.

EMERGENCY ROOM PHYSICIANS & SPECIALISTS - 23%, is allocated to this Measure "H" category.

TOBACCO PREVENTION & CONTROL - 12%, is allocated to this Measure "H" category.

CHILDREN & FAMILY HEALTH SERVICES - 20%, is allocated to this Measure "H" category.

Although there are not any conditions placed on the use of TSR local share by the MSA or State statute, Measure "H", which takes effect on July 1, 2001 restricts the use of TSR to specific health and public safety initiatives. Measure "H" which has been upheld in the Superior Court, requires the use of TSR be restricted to specific health related categories, 80% and public protection programs, 20%. The specific categories are described herein at the Activity level.

Measure "H" applies only to TSR received after July 1, 2001. Please see Fund 14X in program VII for TSR received by the County prior to July 1, 2001.

At a Glance:

Total FY 2001-2002 Actual Expenditure + Encumbrance:	18,805,397
Total Final FY 2002-2003 Budget:	50,450,398
Percent of County General Fund:	N/A
Total Employees:	0.00

COMPREHENSIVE EMERGENCY ROOM SERVICES/ TRAUMA CNTRS - 6%, is allocated to this Measure "H" category.

PUBLIC SAFETY PROGRAM & SERVICES - 20%, is allocated to this Measure "H" category. Of the total in the public safety category, \$1,334,111 will be budgeted for the operation of the 64 bed secured substance abuse program at the Theo Lacy Branch Jail. The remainder of the public safety category, \$4,434,303 is allocated to the Theo Lacy Branch Jail Expansion, Phase III (Building "B").

Ten Year Staffing Trend Highlights:

- This agency has no staff.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The revenue in this fund will be used in accordance to Measure "H" and will reimburse the Health Care Agency and the Sheriff-Coroner for applicable costs.

Final Budget and History:

Sources and Uses	FY 2000-2001 Actual Exp/Rev	FY 2001-2002 Final Budget	FY 2001-2002 Actual Exp/Rev ⁽¹⁾	FY 2002-2003 Final Budget	Change from FY 2001-2002 Actual	
					Amount	Percent
Total Revenues	0	28,842,072	36,406,513	50,450,398	14,043,885	38.58
Total Requirements	0	28,842,072	18,805,397	50,450,398	31,645,001	168.28
Balance	0	0	17,601,116	0	(17,601,116)	-100.00

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 2001-02 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Orange County Tobacco Settlement in the Appendix on page 493.